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ATTORNEYS AT LAW

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A PROFESSIONAL CORPORATION  
1050 Thomas Jefferson Street N.W.  
Washington, D.C. 20007-3877  
(202) 298-1800 Telephone  
(202) 338-2416 Facsimile

Seattle, Washington  
(206) 623-9372

February 19, 1999

Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

**RE: MUR 4864**

Dear Sir:

This firm represents both MSE, Inc. ("MSE") and Don Peoples, CEO of MSE, in the above-referenced matter. This letter is to bring to your attention recent actions by the complainant that may be in violation of the Commission's confidentiality rules, and that may be otherwise inconsistent with federal election law and Commission practice. This letter is neither a complaint nor a request to the Commission that it initiate a complaint. Rather, the purpose of this letter is to make the Commission aware of the complainant's actions, and to request that the Commission inform the complainant of his obligations and restrictions under the Commission's confidentiality rules.

Specifically, on February 14, 1999, the complainant, John Isaacson, sent an electronic mail message ("email") to an unspecified number of people concerning this matter. A copy of the email message is attached.<sup>1/</sup> Neither Mr. Peoples nor other officials of MSE know

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<sup>1/</sup> Neither Mr. Peoples nor MSE were recipients of Mr. Isaacson's email message. However, one recipient of the email forwarded the message to Mr. Peoples. It is through this forwarded message that Mr. Peoples and MSE became aware of the existence of the email.

exactly who or how many people received the message. As the email indicates, the recipients are part of a "blind" group and, as a result, none of the recipients knows the names of any of the other recipients on the list. As the email states, however, it is being sent to "a number of people and organizations . . . ."

Mr. Isaacson's email appears to violate the Commission's rules on confidentiality. The Federal Election Campaign Act and Commission regulations state generally that no notification, complaint or investigation may be made public by the Commission or by any person without the written consent of the respondent.<sup>2/</sup> Neither MSE nor Mr. Peoples has given written consent to Mr. Isaacson or anyone else to release information related to any aspect of this matter.

A recent Commission Advisory Opinion ("AO") does appear to allow a complainant to discuss the contents of the complaint without violating the Act or Commission rules.<sup>3/</sup> In the AO, the Commission expressly confined any public discussion by the complainant solely to the contents of the complaint. However, as the attached print out of Mr. Isaacson's email illustrates, the contents of the email message go well beyond a discussion of his complaint. For example, the third paragraph of the email discusses MSE's response to the complaint. The email states, incorrectly, that no response to the complaint has been sent to the Commission "by the people who appear to have been involved." Mr. Isaacson's erroneous characterization of MSE's response in this matter does not fall within the narrow exception to the Commission's confidentiality rules. In addition, the email offers to forward material or put the recipient of the email in "contact with the agents managing this matter for the government." This also exceeds the Commission rule limiting the complainant to discussing only the contents of the complaint.

These developments are cause for concern to MSE, but not for any reason having to do with the merits of the complaint. On the contrary, as stated in MSE's December 23, 1998 response, the complaint is without merit. MSE's concern centers on the public dissemination of the email, which not only repeats the baseless charges and misstatements of fact contained in the complaint, but also contains new misstatements that range beyond the complaint. The email has the potential to spread significant misinformation throughout the close-knit community of Butte, Montana. In addition, MSE is concerned that Mr. Isaacson's email may prompt press coverage, and that resulting stories may repeat the misstatements contained in the email. There is concern that, without some intervening action by the Commission, Mr. Isaacson's inappropriate activities will continue until the Commission disposes of this matter.

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<sup>2/</sup> 2 U.S.C.A. § 437g(a)(12)(A); 11 C.F.R. § 111.21 (1998).

<sup>3/</sup> FEC Advisory Opinion 1994-32.

In sum, Mr. Isaacson's unsubstantiated allegations contained in the email message and his violation of the Commission's confidentiality rules are cause for concern to a large employer in a small town such as Butte. Accordingly, MSE requests that the Commission inform Mr. Isaacson of his obligations and restrictions under the Commission's confidentiality rules. In addition, MSE respectfully urges the Commission to bring this matter to an expeditious conclusion.

Sincerely,

*Ben Yamagata /HB*

Ben Yamagata  
Howard Bleichfeld  
Counsel for MSE, Inc. and  
Don Peoples

Attachment

**Subject:** [Fwd: Campaign Fraud in Butte (1)]  
**Date:** Sun, 14 Feb 1999 14:35:13 -0700  
**From:** Evan Barrett <ebarrett@in-tch.com>  
**Reply-To:** ebarrett@in-tch.com  
**Organization:** Butte Local Development Corporation  
**To:** Don Peoples <peepe@in-tch.com>

**Subject:** Campaign Fraud in Butte (1)  
**Date:** Sun, 14 Feb 1999 11:02:04 -0700  
**From:** John Isaacson <JohnI@in-tch.com>  
**Reply-To:** johnI@in-tch.com  
**To:** CampaignFundFraud@butte-guide.org

Hello: This is an introductory letter which is being sent to a number of people and organizations who have shown an interest in or are impacted by the August 12, 1998 fund raising of Senator Kit Bond of Missouri to Butte, Montana. The outline of the preliminary studies is in the letter to the FEC. Essentially, it is a matter possible of illegal campaign contributions to the Senator by MSE employees, and the nature of the relationship between Senator Kit Bond of Missouri and MSE, Inc., of Butte, MT.

Each recipient is a blind copy to prevent distribution of the mailing list. You are welcome to ask any question or make any comment at johnI@in-tch.com. If you wish the material or comment you send to us to be referred to the appropriate investigating authorities, we will do that.

Below is a copy of the letter filed with the Federal Election Commission on this matter. At this time, the people who appear to have been involved have not responded to this letter through the FEC. In addition, the material on this matter was referred to the appropriate federal investigative authorities about the time of the election last fall.

If you might have any information about this matter, please contact us, or we will put you in contact with the agents managing this matter for the government.

We'd suggest that whatever the facts show about the political fund raising that did occur here, these matters do not necessarily relate to the nature of the company's work, but rather to its leadership.

If you do not wish to receive this material, please contact us by e-mail immediately and we will remove your name from the blind mailing list. Thank you.  
John Isaacson

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November 19, 1998

Federal Election Commission  
999 E Street NW  
Washington DC 20463

Gentlemen:

This complaint refers to the re-election campaign of Senator Christopher

Bond of Missouri when he raised campaign funds from MSE, Inc., a business firm in Butte Montana on August 12, 1998.

On that date, Senator Bond met with MSE, Inc., employees and some community leaders. Funds were raised at that event for the "Missourians for Bond" committee in the amount of about \$11,000. The funds were subsequently sent to the committee in Missouri and the checks cashed.

Donald Peoples, CEO of MSE, Inc., organized a number of the contributors and all the significant contributions came from MSE, Inc., employees. Senator Bond serves on Senate committees dealing directly with appropriations for MSE, Inc., conducted research and services. In this same time period several million dollars of funds were appropriated through Senate subcommittees Senator Bond chairs for MSE, Inc.

I am making the following complaints to the Federal Election Commission at this time.

Senator Bond's fund raising in Butte Montana was clearly political extortion.

Donald Peoples conduct in raising funds for Senator Bond as leader of MSE is clearly political bribery.

Whether the conduct of either is unlawful is the question for this Commission.

Senator Conrad Burns of Montana has raised the question of whether Senator Bond was traveling on public funds. I am asking you to investigate about whether public funds were used in any way for the August 12, 1998, fund raising effort in Butte, MT.

Was there any connection between the large campaign funds to Senator Bond and the almost immediate and subsequent funding of MSE, Inc. projects by Senator Bond's committees in the United States Senate?

Were any of the contributions made by MSE, Inc., employees to Senator Bond based on pressure from Donald Peoples or MSE, Inc. on the contributors, and were any of those contributions to Senator Bond reimbursed by MSE, Inc., or any other organization or person, directly or indirectly, or were promises made to reimburse the contributions in any form in the future?

I have discussed these facts with the Office of the Attorney General in Montana through Mr. Mark Murphy, who suggested that the Federal Election Commission was an appropriate forum for this complaint with the jurisdiction to study the questions involved and make appropriate decisions.

Since August 12, 1998, when the fund raising event by Senator Bond occurred in Butte, MT, there have been a number of indications that the reimbursement of contributions was a part of the plan by Donald Peoples. I will forward that information as it is developed and detailed for your consideration.

I am a registered voter in Butte Silver Bow County, living at 646 West Galena, Butte MT. 59701-1508, telephone [REDACTED], e-mail john1@in-tch.com.

Thank you.

Respectfully,

John Isaacson

Subscribed and Sworn to before me on this 19th day of November, 1998.

Notary Public